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Attorneys for Court-Appointed Receiver R. Wayne Klein

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

NATIONAL NOTE OF UTAH, LC, a Utah
Limited Liability Company and WAYNE
LaMAR PALMER, an individual,

Defendants.

**RECEIVER'S AMENDED MOTION
SEEKING APPROVAL OF
SETTLEMENT AGREEMENT
REGARDING CLAIM NO. 1375
(BLACKWELL)**

Civil No. 2:12-00591

The Honorable Bruce S. Jenkins

R. Wayne Klein, as receiver (the “Receiver”) for Defendant National Note of Utah, LC, and the assets of Defendant Wayne LaMar Palmer, by and through his counsel of record, hereby files this *Motion Seeking Approval of Settlement Agreement Regarding Claim No. 1375 (Blackwell)*. In support hereof, the Receiver represents as follows.

PROCEDURAL BACKGROUND

1. On August 24, 2016 the Receiver filed *Receiver’s Motion for Approval of (1) Proposed Distribution Methodology and Plan of Distribution, and (2) Proposed Initial Distribution, and Memorandum in Support* [Docket No. 1196] (the “Distribution Motion”).

2. On September 19, 2016 Sarah Blackwell filed an objection to the Distribution Motion with the Court [Docket No. 1205] (the “Blackwell Objection”), objecting not to the Distribution Motion, but to the amount of her Proof of Claim.

3. Specifically, Ms. Blackwell initially submitted a Proof of Claim, designated as Claim No. 1375, in the amount of \$0.00. Based on that submission, the Receiver recommended that the Court afford Ms. Blackwell an Allowed Claim in the amount of \$0.00. In its *Order Granting Receiver’s Motion Seeking Allowance of Recommended Reduced Claims* [Docket No. 1116] (the “Allowance Order”), the Court allowed Proof of Claim No. 1375 in the amount of \$0.00.

4. In the Blackwell Objection, Ms. Blackwell asserts that her submission of a Proof of Claim in the amount of \$0.00 was in error, and that she in fact invested a total of \$17,748.94 in National Note and received no return on that investment. As part of the Blackwell Objection, she attached an “Amended Proof of Claim,” asserting a claim in the total amount of \$17,748.94.

5. The Receiver’s records show that Ms. Blackwell received a distribution in the amount of \$210.52 from National Note which is not reflected in her Amended Proof of Claim, and thus her net principal investment is actually \$17,538.42.

6. Since the filing of the Blackwell Objection, the Receiver has been in contact with Ms. Blackwell, and a settlement agreement has been reached, subject to Court approval (the “Blackwell Agreement”). Under the Settlement Agreement, the Receiver recommends that Ms. Blackwell’s Amended Proof of Claim be allowed at a 25% discount, taking into account the distribution she received, for an Allowed Claim in the total amount of \$13,153.82.

7. As a result of the Allowed Claim, Ms. Blackwell will be entitled to an initial distribution in this case in the total amount of \$3,512.95.

REQUEST FOR RELIEF

8. Accordingly, the Receiver requests that the Court grant this Motion, thus approving the Blackwell Agreement. A proposed Order is attached hereto as **Exhibit A**.

DATED this 7th day of November, 2016.

DORSEY & WHITNEY LLP

/s/ Peggy Hunt

Peggy Hunt

John J. Wiest

Attorneys for Receiver

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of November, 2016 the foregoing **RECEIVER'S MOTION SEEKING APPROVAL OF SETTLEMENT AGREEMENT REGARDING CLAIM NO. 1375 (BLACKWELL)** was filed with the Court and served via ECF on all parties who have requested notice in this case.

/s/ John J. Wiest

I hereby certify that on the 7th day of November, 2016 a true and correct copy of the foregoing **RECEIVER'S MOTION SEEKING APPROVAL OF SETTLEMENT AGREEMENT REGARDING CLAIM NO. 1375 (BLACKWELL)** was served upon the person named below, at the address set out below by U.S. mail:

Wayne L. Palmer
8816 South 2240 West
West Jordan, UT 84088

/s/ Suanna Armitage

I hereby certify that on the 7th day of November, 2016 a true and correct copy of the foregoing **RECEIVER'S MOTION SEEKING APPROVAL OF SETTLEMENT AGREEMENT REGARDING CLAIM NO. 1375 (BLACKWELL)** was served upon the person named below via email at the addresses set out below:

Sarah Blackwell
daveblackwell@gmail.com
blackwellsarahc@gmail.com

/s/ Suanna Armitage